

CHAPTER 4

CONDITIONS FOR ADMISSION

**CHAPTER 4 - SCOPE OF CHAPTER
CONDITIONS FOR ADMISSION**

This **Chapter** sets out conditions under which *APX will grant admission to the *official list and admission to *quotation of *securities. In assessing each application *APX:

- will take into account the particular circumstances of each applicant;
- may in its discretion grant admission to the *official list even though all the requirements have not been met; and
- may in its discretion refuse admission to the *official list and admission to *quotation even though all the requirements have been met.

Any information and documentation provided to *APX in support of an application for admission to the *official list and admission to *quotation will become the property of *APX. In assessing an application, *APX may use information and documents already lodged with the *ASIC. At *APX's discretion all these documents may be made available to the public.

*Quoted *securities will be allocated to one of the following categories:

- *Property securities;
- *Equity securities; or
- *Fixed interest securities.

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APX'S DISCRETION CONCERNING GRANTING LISTEE STATUS AND ADMISSION TO THE OFFICIAL LIST.

SPECIAL CONDITIONS.

- 4.1.** *APX may grant admission to the *official list and admission to *quotation of securities subject to any special conditions which *APX considers appropriate in the interests of protecting investors and of which *APX has explicitly informed the applicant in writing.

APPLYING FOR ADMISSION TO THE OFFICIAL LIST.

Property and Equity Securities.

- 4.2.** For an entity that wishes to be admitted to the *official list and have its *property securities or *equity securities quoted, the entity must complete **Appendix 4-1** and submit it to *APX.

Fixed Interest Securities.

- 4.3.** For an entity that wishes to be admitted to the *official list and have its *fixed interest securities quoted, the entity must complete **Appendix 4-2** and submit it to *APX.

APX SATISFIED OF COMPLIANCE WITH THE LISTEES' LISTING STANDARDS.

- 4.4.** For an *applicant to be admitted to the *official list and have its *securities *quoted, *APX must be satisfied that the *applicant will comply with the *Listees' Listing Standards.

APPROPRIATE STRUCTURE AND OPERATIONS.

- 4.5.** An *applicant's structure and operations must be appropriate for a *listee.

RIGHT OF HOLDERS OF SECURITIES TO FAIR TREATMENT.

- 4.6.** A *listee must ensure fair treatment for all holders of its *quoted securities.

HOW AND WHEN ADMISSION TO THE OFFICIAL LIST OCCURS.

- 4.7.1.** An *applicant is admitted to the *official list in the particular category in which *APX resolves to admit it.
- 4.7.2.** If the resolution is conditional, the *applicant is admitted when the conditions are met or *APX accepts an undertaking to meet them.
- 4.7.3.** If the resolution is unconditional, the *applicant is admitted on the date specified in the resolution. If no date is specified, the *applicant is admitted on the date of the resolution.

ADMISSION CRITERIA RELATING TO ALL APPLICANTS.

INCORPORATION.

- 4.8.1.** An *applicant must be duly incorporated or otherwise validly established according to the relevant laws of Australia, and be operating in conformity with its constitution.

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4.8.2. The * applicant’s constitution must be consistent with the *Listees’ Listing Standards.

4.8.3. Rule 4.8.2 does not apply if the * applicant’s constitution includes the following provisions (as applicable);

“If the *listee♦ is granted admission to the * official list of * APX, the following clauses apply:

- (a) Notwithstanding anything contained in this constitution♦, where the *Listees’ Listing Standards prohibit an act being done, the act shall not be done;
- (b) Nothing contained in the constitution♦ prevents an act being done that the *Listees’ Listing Standards require to be done;
- (c) If the *Listees’ Listing Standards require an act to be or not to be done, authority is given for that act to be done or not to be done (as the case may be);
- (d) If the *Listees’ Listing Standards requires the constitution♦ to contain a provision and it does not contain such a provision, this constitution♦ is deemed to contain that provision;
- (e) If the *Listees’ Listing Standards requires the constitution♦ not to contain a provision and it contains such a provision, this constitution♦ is deemed not to contain that provision; and
- (f) If any provision of the constitution♦ is or becomes inconsistent with the *Listees’ Listing Standards, this constitution♦ is deemed not to contain that provision to the extent of the inconsistency.”

“**APX**” means Australia Pacific Exchange Limited.

“**Listees’ Listing Standards**” means the Listees’ Listing Standards of APX and any other rules or regulations of APX which apply to the listee while it is admitted to the official list of APX, each as amended, replaced or substituted from time to time, save for any express written waiver by APX.

- ♦ *Substitute with the term used in constitution (eg. “the Company”; “the Trust”, “these Articles”, “this deed” etc)*

DISCLOSURE DOCUMENT.

4.9.1. An * applicant must issue a prospectus or a Product Disclosure Statement and, if required by the * Act, lodge it with the *ASIC. If *APX agrees, an information memorandum that complies with **Appendix 4-1** will be accepted instead of a prospectus or product disclosure statement.

4.9.2. The information memorandum must contain all information as specified in **Chapter 6**.

Note: If the * applicant establishes that it has not raised capital in the past 3 months and does not expect it will need to raise capital in the next 3 months, and has the required number of * securities allotted, * APX may agree. * APX may also ask the * applicant to send the information memorandum to all security holders.

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ACCOUNTS.

4.10.1. An *applicant must have published or lodged accounts and a copy must be given to *APX which:

- (a) subject to **Rule 4.10.2**, cover at least three years and the latest accounts must be in respect of a period ended not more than six months before the date of the *listing particulars;
- (b) are consolidated accounts in respect of the *applicant and all its *subsidiary undertakings, unless *APX otherwise agrees;
- (c) have been prepared in accordance with the *Act and, in all material respects, with the Australian Accounting Standards ; and
- (d) have been independently audited, in accordance with the Auditing Standards required in Australia.

4.10.2. In relation to **Rule 4.10.1(a)**, accounts relating to a period of less than three years may be accepted if *APX is satisfied that:

- (a) investors have the necessary information available to arrive at an informed judgment concerning the *applicant and its *securities;
- (b) where the application is in respect of *fixed interest securities which are guaranteed by a person other than the issuer, the guarantor has published or filed audited accounts which cover at least three years; or
- (c) where the application is in respect of *fixed interest securities, the obligations created in respect of those *securities are fully secured.

4.10.3. *APX in its discretion may require a “reviewed pro forma balance sheet” together with the review. The review must be conducted by an *auditor. The *auditor must be independent of the *applicant and comply with guidelines on independence issued by the Australian Auditing Standards Board.

WHOLE CLASS TO BE LISTED.

4.11. An application for *quotation of *securities of any *class must:

- (a) if no *securities of that class are already quoted, subject to **Rule 4.29**, relate to all *securities of that *class, issued or proposed to be issued; or
- (b) if *securities of that *class are already quoted, subject to **Rule 4.32**, relate to all further *securities of that *class, issued or proposed to be issued.

WORKING CAPITAL.

4.12.1 In preparing *listing particulars, an *applicant must include a working capital statement (see **Rule 6.15(g)**) in the *listing particulars or *circular.

4.12.2 In making this statement the *applicant must be satisfied after making all reasonable enquiries that it and its *subsidiary undertakings, if any, have available sufficient working capital for the

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*group's present requirements, that is for at least the next 12 months from the date of the statement (also see **Rule 3.5** (sponsor's confirmation)).

RESTRICTED SECURITIES.

4.13.1. If the *applicant issues *restricted securities before it is admitted to the *official list, it must comply with **Chapter 17** (except **Rule 17.2**) and give completed *restriction agreements to *APX.

4.13.2. If, in the 2 years before the date of the application, the *applicant *acquired a *classified asset from a *related party of the *applicant or a *promoter, the consideration must have been *restricted securities unless one of the following applies:

- (a) The consideration was reimbursement of expenditure incurred in developing the *classified asset.
- (b) Under **Rule 17.1.5** the applicant is not required to apply the restrictions in **Appendix 17-2**.

Note: If *restricted securities are issued as consideration for an *acquisition or disposal the *applicant must comply with **Chapter 17**.

Cross reference: **Rule 17.1.5, Appendix 17-2**.

ADDITIONAL ADMISSION REQUIREMENT FOR EQUITY AND PROPERTY ISSUERS.

MINIMUM SPREAD REQUIREMENTS.

4.14 An *applicant, other than a *fixed interest issuer:

- (a) must have at least 50 holders each having a parcel of the *main class of *securities with a value of at least \$2,000 (excluding *restricted securities); and
- (b) at least 25% of its *main class of *securities held by *security holders who are not *related parties of the *applicant (excluding *restricted securities).

MARKET CAPITALISATION OR ASSETS.

4.15 Notwithstanding any other Rule, an *applicant, other than a *fixed interest issuer, must have:

- (a) a *market capitalisation of at least \$2 million; or
- (b) net tangible assets of at least \$2 million, after deducting the costs of fund raising, at the time of admission.

ADDITIONAL ADMISSION REQUIREMENT FOR FIXED INTEREST ISSUERS.

4.16 An applicant for admission to the *official list as a *fixed interest issuer must satisfy the following conditions:

- (a) The *applicant must be seeking *quotation of *fixed interest securities only.
- (b) The *applicant must be a limited liability company, a government borrowing authority, a public authority, or a person approved by *APX.

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- (c) The * applicant must apply for and be granted * quotation of all the * securities that are in the * class for which it seeks * quotation.
- (d) The aggregate face value of the * fixed interest securities must be at least \$1 million.
- (e) There must be at least 25 holders of the * fixed interest securities.

ADDITIONAL REQUIREMENT FOR COMPANIES.

4.17 If an * applicant is a company, the following rules apply.

- (a) The * directors and senior management of the * applicant must collectively have appropriate expertise and experience for the management of the * group's businesses. Details of such expertise and experience must be disclosed in the * listing particulars that are required by **Rules 6.16**.
- (b) The * applicant must ensure that each of its * directors is free of conflicts between duties to it and private interests and other duties, unless the * applicant can demonstrate that arrangements are in place to safeguard its interests.

ADDITIONAL REQUIREMENTS FOR SCHEMES.

4.18 If an * applicant is an undertaking to which interests in a managed investment scheme relate, the * responsible entity must not be under an obligation to allow a * security holder to withdraw from the scheme.

COMPLYING WITH THE LISTEES' LISTING STANDARDS.

4.19 If a Rule imposes an obligation on a managed investment scheme or an undertaking to which interests in the scheme relate, the * responsible entity of the scheme or undertaking must make sure that the scheme complies with the Rule.

Cross reference: **Rule 2.1.1**, section 793C of the * Act.

MANAGEMENT RESPONSIBILITY.

4.20.1 The * directors and senior management of the * responsible entity must collectively have appropriate expertise and experience for the management of the scheme's businesses. Details of such expertise and experience must be disclosed in the * listing particulars that are required by **Rules 6.16**.

4.20.2 An * applicant must ensure that each of the * directors of the * responsible entity is free of conflicts between duties to it and private interests and other duties, unless the * applicant can demonstrate that arrangements are in place to safeguard its interests.

CONDITIONS RELATING TO SECURITIES.

VALIDITY.

4.21 To be quoted, * securities must:

- (a) conform with the * Act;

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- (b) be duly issued according to the requirements of the *listee's constitutional documents;
- (c) have any necessary statutory or other consents;
- (d) not be quoted on another financial market ; and
- (e) be *securities on which no stamp duty or similar impost or duty is payable on the transfer or conveyance of the *securities.

4.21A For the purposes of **Rule 4.21(e)** the *applicant must provide *APX with such documents or other information as it may require to enable *APX to be reasonably satisfied that no stamp duty or similar impost or duty is payable on the transfer or conveyance of the *securities.

TRANSFERABILITY.

4.22 To be quoted, *securities must be freely transferable.

ORDINARY SECURITIES

One Class of Ordinary Securities.

4.23 An *applicant may have only one *class of *ordinary securities unless either of the following applies:

- (a) *APX approves the terms of an additional *class; or
- (b) the additional *class is of partly paid *securities which, if fully paid would be in the same *class as the *ordinary securities.

RIGHTS AND OBLIGATIONS THAT APPLY ONLY TO OPTIONS.

General Rule.

4.24.1 When an option is issued, the exercise price for each *underlying security must be at least 20 cents cash.

4.24.2 All quoted options issued by an *applicant with the same expiry date must have the same terms. All quoted options with no expiry date must have the same terms.

4.24.3 An option's terms must allow the rights of an option holder to be changed to comply with the *Listees' Listing Standards applying to a reorganisation of capital (in the case of a prescribed interest scheme or a managed investment scheme, interest) at the time of the reorganisation.

Note: Just incorporating the provisions for reorganising options in **Rule 14.9.1** will not satisfy this **Rule**, as **Rule 14.9.1** may change between issue of options and the reorganisation. One acceptable approach is to include an option term that states that the rights of an option holder will be changed to the extent necessary to comply with the *Listees' Listing Standards applying to a reorganisation of capital at the time of the reorganisation.

4.24.4 An option must not be exercisable over a percentage of the *listee's capital.

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Participation in New Issues of Underlying Securities.

4.25.1 An option's terms must contain a statement of the rights the option holder has to participate in new issues without exercising the option, or a statement that the option holder cannot participate in new issues without exercising the option.

Note: This **Rule** does not prevent an option holder from exercising an option and participating in a new issue if the option is exercisable at the time of the new issue.

4.25.2 An option must not confer the right to participate in a new issue without exercising the option, except in the following cases:

- (a) if the option was issued under a *pro rata issue to the holders of *ordinary securities, the option holder can participate in a new issue to the holders of the underlying *securities; and
- (b) if the option was issued with the approval of holders of the *main class, and is not in a *class of quoted options, the option holder can participate in a new issue to the holders of the *underlying securities in accordance with the terms of the option. The notice of the meeting must be accompanied by a *circular which contains a report by an independent expert on the effect of the proposed right of participation and a *voting exclusion statement.

CHANGE OF OPTION'S EXERCISE PRICE OR THE NUMBER OF UNDERLYING SECURITIES.

4.26.1 An option must not confer the right to a change in exercise price, or a change to the number of *underlying securities over which it can be exercised:

- (a) if the option confers a right to participate in a new issue without exercising the option; and
- (b) unless the right is permitted under **Rule 4.26.2**.

An option's terms must contain a statement of any rights the option holder has to a change in the exercise price of the option, or a change to the number of underlying securities over which the option can be exercised.

Note: If there are no rights to change, this **Rule** requires that fact to be stated in the terms of the option.

4.26.2 An option may confer the right to a change in its exercise price, or a change to the number of *underlying securities over which it can be exercised, in any of the circumstances set out in **Rules 4.26.3 to 4.26.5**.

4.26.3 If there is a *pro rata issue (except a *bonus issue) to the holders of the *underlying securities, the exercise price of an option may be reduced according to the following formula.

$$O' = O - \frac{E[P-(S+D)]}{N + 1}$$

O' = the new exercise price of the option.

O = the old exercise price of the option.

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E = the number of * underlying securities into which one option is exercisable.

Note: E is one unless the number has changed because of a * bonus issue.

P = the average market price per * security (weighted by reference to volume) of the * underlying securities during the 5 trading days ending on the day before the ex rights date or ex entitlements date.

S = the subscription price for a * security under the * pro rata issue.

D = the dividend (in the case of a managed investment scheme, prescribed interest scheme, distribution) due but not yet paid on the existing * underlying securities (except those to be issued under the * pro rata issue).

N = the number of * securities with rights or entitlements that must be held to receive a right to one new * security.

Example: The capital of an * applicant comprises ordinary shares and options over unissued ordinary shares exercisable at \$1.00 each. The company announces a 4:7 pro rata issue. There is no dividend payable. The issue price for the shares under the rights issue is \$2.00. The average price that ordinary shares trade at over the 5 trading days ending on the day before the ex rights date or ex entitlement date is \$3.00 after the announcement. To receive one right a security holder must hold 1.75 ordinary shares ($7 / 4 = 1.75$, which is *N*). The amount by which the exercise price of an option is to be reduced is calculated as follows:

$O' = O - \frac{E[P-(S + D)]}{N + 1}$ $= 1 - \frac{1[3.00 - (2.00 \times O)]}{1.75 + 1}$ $= 63.6364 \text{ cents}$
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The new exercise price of the option is 63.6364 cents and the option holder has gained the benefit of any bonus element in the pro rata issue. This benefit is the same as that conferred on security holders. There is no change in the number of shares to which the option holder is entitled. At the time when the option is exercised, it may be necessary to round up or round down any fraction of a cent remaining after aggregating the exercise price of each of the options exercised by the holder.

4.26.4 As an alternative to using the formula in **Rule 4.26.3**, if the option was issued with the approval of holders of * ordinary securities, and is not in a * class of * quoted options, the exercise price or number of * underlying securities may change if there is a * pro rata issue (except a * bonus issue) to the holders of the * underlying securities in accordance with the formula contained in the terms of the option. The notice of meeting must have contained a report by an independent expert on the effect of the proposed change, and a * voting exclusion statement.

4.26.5 If there is a * bonus issue to the holders of the * underlying securities, the number of * securities over which the option is exercisable may be increased by the number of * securities which the holder of the option would have received if the option had been exercised before the * record date for the * bonus issue.

Example: The capital of an * applicant comprises ordinary shares and options over unissued ordinary shares exercisable at \$1.00 each. The * listee makes a 1:1 bonus issue. An option holder with 1,000 options with a total exercise price of \$1,000 will have an entitlement to 2,000 securities for a total exercise price of \$1,000. Each option is exercisable for \$1.00 and entitles the

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holder to 2 shares. The exercise price per option stays the same (ie. \$1.00). If the listee has a further 1:1 bonus issue, the option holder would become entitled to 4,000 securities for a total exercise price of \$1000. Each option is exercisable for \$1.00 and entitles the holder to 4 shares. The exercise price per option stays the same (ie. \$1.00).

OTHER CHANGES IN TERMS OF OPTIONS.

4.27 The terms of an option can only change if holders of *ordinary securities approve of the change. The notice of meeting must include a *voting exclusion statement. However, the terms of an option cannot be changed to reduce the exercise price, increase the number of *underlying securities or change any period for exercise.

COMPLIANCE WITH TIMETABLES.

4.28 An *applicant must comply with **Appendix 6-3**.

QUOTATION OF SECURITIES ON ADMISSION.

MAIN CLASS OF SECURITIES (GENERAL ADMISSION) AND FIXED INTEREST SECURITIES (FIXED INTEREST ISSUER).

4.29 For *quotation of the *main class of *securities of a *listee the following conditions must be met to *APX's satisfaction:

- (a) The terms of the *listee's securities must comply with this **Chapter**.
- (b) The issue price or sale price of all the *securities for which the *listee seeks *quotation (except options) must be at least 5 cents in cash. *Restricted securities (after the escrow period ends) and *securities issued under an *employee incentive scheme may still be quoted even though they are issued or sold at less than 5 cents.
- (c) If the *securities are *partly paid securities, there must be a defined call program setting out the date and amount of each proposed call. The call program may provide for one extension of up to 6 months of the date for payment of a call, on provision of at least 2 months' written notice to holders of the *partly paid securities.

QUOTATION OF OTHER CLASSES OF SECURITIES ON ADMISSION.

4.30 For *quotation of a *class of securities of a *listee seeking admission that is in addition to its *main class of securities, the following conditions must be met to *APX's satisfaction.

- (a) If the *securities are *partly paid securities, there must be a defined call program setting out the date and amount of each proposed call. The call program may provide for one extension of up to 6 months of the date for payment of a call, on provision of at least 2 months' written notice to holders of the *partly paid securities.
- (b) The terms of the *listee's securities must comply with this **Chapter**.
- (c) If the *securities are options issued on the exercise of other options, the other options must have expired, or have all been exercised.

Note: These options are sometimes called primary and secondary options. If the primary options do not have an expiry date, in order for this **Rule** to be satisfied, all primary options must have been exercised.

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FEES FOR QUOTATION OF ADDITIONAL SECURITIES.

4.31 A *listee seeking *quotation of *securities must pay fees in accordance with **Chapter 18**.

APPLYING FOR QUOTATION OF ADDITIONAL SECURITIES.

4.32 To apply for *quotation of *securities, a *listee must complete **Appendix 4-3** and give it to *APX. However, a *listee seeking admission to the *official list need not complete **Appendix 4-3** if it has included the *securities in its **Appendix 4-1** or **4-2**.

TIME LIMITS FOR APPLYING.

4.33 A *listee must apply for *quotation of *securities as follows:

- (a) In accordance with **Appendices 6-3** or **6-4**.
- (b) If the *securities are *restricted securities - within 10 *business days after the end of the escrow period.
- (c) If unquoted *partly paid securities become *fully paid securities in the same *class as quoted *fully paid securities - within 10 *business days after the date of final payment.
- (d) If the *securities are subject to restrictions on transfer under an *employee incentive scheme - within 10 *business days after the end of the restrictions.
- (e) In other cases - within 10 *business days after the date of final allotment.
- (f) However, in the case of an *employee incentive scheme that involves frequent issues of *securities, *APX may agree that application for *quotation may be made less often.

Note: In relation to *securities issued under an *employee incentive scheme, the following agreement with *APX may be reached.

- (a) The *listee notifies *APX of the number of *securities issued under the *employee incentive scheme each month, and completes **Appendix 4-3**. It must do so by the 10th *business day of the next month. If *APX decides not to quote the *securities it will notify the listee shortly after receiving the form.
- (b) Either the *listee is invoiced for the *securities quoted every 6 months; or the listee pre-pays the minimum fee for quotation of additional *securities and is invoiced for a further pre-payment of the minimum fee once the amount pre-paid is used up.

HOW AND WHEN QUOTATION OCCURS.

4.34 *APX will commence quotation of *securities on the date it decides. *APX may quote the *securities on any conditions it thinks appropriate.

Note: In the case of a *listee seeking first *quotation of *securities, *quotation will normally be granted 3 *business days after certificates and holding statements have been sent to holders. *APX may quote *securities earlier if it is satisfied that the market is fully informed and all participants have an equal opportunity to participate in the market at the time quotation starts.

In the case of a trust seeking quotation of newly issued units, if the cooling off period under section 1019B of the *Act applies, quotation may not be granted until the 19th day after the units were issued.

APX publishes the date it will quote *securities in the Daily Schedule.

RE-QUOTATION OF FORFEITED SHARES.

4.35 Forfeited * securities cease to be quoted from the time of forfeiture. If they rank equally with a * class of quoted * securities, they will be re-quoted when * APX has been advised that they have been sold or reissued, or redeemed by the former holder.

NO QUOTATION OF RESTRICTED SECURITIES DURING ESCROW PERIOD.

4.36 *Restricted securities will not be quoted during the escrow period.

CONVERTIBLE SECURITIES.

4.37.1 *Convertible securities may be * quoted only if the * securities into which they are convertible are already or will become at the same time * quoted securities.

4.37.2 *APX may quote * convertible securities in circumstances not falling within **Rule 4.37.1** if it is satisfied that holders have at their disposal all the information necessary to form an opinion concerning the value of the underlying * securities.

ADDITIONAL REQUIREMENTS OF SECURITIES

PREFERENCE SECURITIES.

Voting Rights of Preference Securities.

4.38 The holder of a * preference security must be entitled to a right to vote in each of the following circumstances and, subject to compliance with any provision of the * Act regulating voting rights of members of a managed investment scheme to the contrary, in no other:

- (a) During a period in which a dividend or distribution (or part of a dividend or distribution) in respect of a * security is in arrears;
- (b) On a proposal to reduce the * listee's capital (in the case of a managed investment scheme, interests);
- (c) On a resolution to approve the terms of a buy-back agreement;
- (d) On a proposal that affects rights attached to the * security;
- (e) On a proposal to wind up the * listee;
- (f) On a proposal for the disposal of the whole of the * listee's, business and undertaking; and
- (g) During the winding up of the * listee.

Dividend/Distribution Rights.

4.39 The holder of a * preference security must be entitled to a dividend or distribution at a commercial rate in preference to holders of * ordinary securities.

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Return of Capital.

4.40 The holder of a * preference security must be entitled to return of capital (in the case of a managed investment scheme, interests) in preference to holders of * ordinary securities when the * listee is wound up.

Additional Rights of Preference Securities.

4.41 A holder of a * preference security must be entitled to the same rights as a holder of * ordinary security in relation to receiving * circulars, reports and audited accounts and attending meetings.

RULES THAT APPLY TO EQUITY SECURITIES AND PROPERTY SECURITIES.

Removing or Changing Voting Rights and Dividend Rights.

4.42 A * listee must not remove or change a * security holder's right to vote, or receive dividends or distributions, in respect of particular * equity securities or * property securities except in any of the following cases:

- (a) Calls due and payable on those * securities have not been paid;
- (b) In the case of the voting rights, the instrument appointing a proxy in respect of those * securities has not been deposited in accordance with the * listee's constitution;
- (c) In the case of the voting rights, the person became the holder of those * securities after the time determined under the * Act as the "specified time" for deciding who held * securities for the purposes of the meeting;
- (d) The right is removed or changed under Australian legislation, or under a provision in the * listee's constitution that must be included to comply with Australian legislation. Any such provision must cease to operate once it is no longer necessary;
- (e) The right is removed or changed under a provision in the * listee's constitution that is permitted by the * Listees' Listing Standards, or that * APX has approved as appropriate and equitable; and

Note: * APX requires provisions restricting the rights to vote * restricted securities in some circumstances. See **Chapter 17**. * APX allows provisions in some cases for small holdings.

Example: * APX may approve provisions needed by a * listee to get or maintain a licence, or approval for its business, from a government in Australia. * APX will have regard to the mechanism the * listee adopts for divesting the * securities.

- (f) The right is removed or changed under a court order.

Dividends and Issues of Bonus Equity Securities and Property Securities.

4.43 The holder of a * partly paid security must not be entitled to a greater proportion of either:

- (a) a dividend or distribution; or

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- (b) an issue of *bonus securities;

than the proportion which the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited). In this **Rule**, amounts paid in advance of a call are ignored when calculating the proportion.

The prohibition on the issue of *bonus securities covers bonus issues (defined in *Listees' Listing Standards by reference to a *pro rata issue) and an issue of *bonus securities which is not pro rata.

Divestment of Equity Securities and Property Securities.

4.44 A *security holder must not be divested of any *equity security or *property security except in any of the following cases:

- (a) The divestment is under Australian legislation, and the mechanism the *listee adopts for divesting the *security is also under the legislation, or is approved by *APX as appropriate and equitable;
- (b) The divestment is under a provision in the *listee's constitution that must be included to comply with Australian legislation. Any such provision must cease to operate once it is no longer necessary;
- (c) The divestment is under a provision in the *listee's constitution that *APX has approved as appropriate and equitable;
- (d) The divestment is under a court order; and
- (e) The divestment is under a lien permitted by the *Listees' Listing Standards.

Right to a Lien on Equity Securities and Property Securities.

4.45 A *listee must not have a lien over particular *equity securities or *property securities, or over dividends (in the case of a managed investment scheme or prescribed interest scheme, distribution) it pays on them, except in the following cases:

- (a) An unpaid call or instalment is due but unpaid on those *securities;
- (b) If the *securities were acquired under an *employee incentive scheme, an amount is owed to the *listee for *acquiring them; or
- (c) An amount that the *listee is required by law to pay (and has paid) in respect of the *securities of a holder or deceased former holder.

In each case, the lien extends to reasonable interest and expenses incurred because the amount is not paid.

OPTIONS LIMITS TO SUBSCRIBE.

4.46.1 The issue of options to subscribe for *equity securities must be limited to not more than 20% of the issued equity share capital of the *listee at the time of issue of the options. Rights under employees' share schemes will not be included for the purpose of this 20% limit.

* See Chapter 1 for defined terms.

4.46.2 The conditions for quotation of options to subscribe for *securities (not being options accompanied by other *securities) are the same as would apply to the underlying *securities unless *APX otherwise agrees.

PAYMENTS OTHER THAN IN CASH.

4.47 A fee or other remuneration or consideration to be paid or given to:

- (a) if the *listee is a company – any *director, officer or adviser of the *listee (including any *sponsor or *promoter); or
- (b) if the *listee is a company – any *director, officer or adviser of the *responsible entity (including any *sponsor or *promoter);

in connection with the issue or quotation of *securities may be made otherwise than in cash provided that *APX is satisfied that:

- (c) full disclosure has been made in the prospectus, Product Disclosure Statement or information memorandum of the method by which such fee or other remuneration or consideration is to be paid and, where *securities are being issued, of all material terms of the issue including the value of such *securities; and
- (d) the independence of the persons referred to paragraphs (a) or (b) above is not compromised to the detriment of the general body of security holders of the *listee.